World Bank loans for India

1852. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether India is presently getting a blend of soft ideal loans and quasi-commercial World Bank loans;

(b) whether this loan package contains a new US$130 million to modernize obsolete thermal power stations;

(c) whether this package also contains a proposed US$3.2 billion for recapitalising public sector banks; and

(d) whether Government would reconsider its decision to borrow funds from World Bank to prop up a still flawed banking system rather than raising funds from debt market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) India is taking loans from the International Bank for Reconstruction and Development (IBRD) and credit (soft loan) from the International Development Association (IDA) of the World Bank.

(b) A project titled "Coal fired Generation Rehabilitation Project" has been approved by the Board of the World Bank on June 18, 2009 for an IBRD loan of US$ 180 million and Global Environment Facility Grant of US$ 45.40 million. This project involves renovation of three thermal power plants situated in the States of West Bengal, Maharashtra and Haryana.

(c) Yes Sir. To enable the public sector banks (PSBs) to meet credit requirements of the economy while maintaining a healthy and comfortable level of regulatory capital to risk-weighted assets ratio, a proposal has been sent to the World Bank.

(d) No Sir. The assessment of the Indian financial system during 2007-08 done by the Reserve Bank of India shows that the banking sector in India continues to be healthy, sound and resilient.

Loans to industries

1853. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a recent survey of 300 units having turnover between Rs. 1 crore and Rs. 40,000 crore had revealed that besides the Small and Medium Enterprise (SME) sector, even bigger industries were facing problems securing easy loans;

(b) if so, the details thereof; and

(c) the steps being taken to give more loans to industries in each State, especially in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) As per information made available by Indian Banks' Association (IBA), in the